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PASS TO USTR, USDOC FOR CHERIE RUSNAK

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SUBJECT: USTR REP STRESSES OPPORTUNITIES FOR TEC AND WTO  
WITH SLOVENE OFFICIALS

Classified By: CDA Maryruth Coleman for reasons 1.4 (b,d)

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Summary  
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¶1. (SBU) The Senior Trade Representative at the U.S. Mission to the European Union, Dan Mullaney, met with senior Slovenian officials and the local U.S. pharmaceutical group November 19-20 to discuss U.S and Slovenian trade priorities during Slovenia's EU presidency. Mullaney emphasized the importance of making progress in the the Transatlantic Economic Council (TEC) and the World Trade Organization's Doha round. His visit helped educate Slovenian officials on several US-EU trade issues, as well as on the importance of progress in TEC and WTO. Ambassador Roman Kirn, Head of the North Americas Division at the Slovenian Ministry of Foreign Affairs, expressed hope that the TEC could produce "deliverables" for the proposed spring U.S-EU summit. He also voiced concern regarding implementation of the U.S. requirement for 100 percent cargo scanning. Dimitrij Grcar, of the Ministry of Economy's Multilateral Division and Slovenia's representative for TEC, was enthusiastic regarding TEC but held out little hope for progress on Doha. Kirn and Grcar both were keen to avoid any unexpected issues during Slovenia's EU presidency. End Summary.

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TEC - Round Two Needs to Produce Concrete Results  
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¶2. (SBU) USTR representative Dan Mullaney stressed during separate meetings with Kirn and Grcar that the next round of meetings for the Transatlantic Economic Council needed to produce results, particularly with respect to U.S. poultry trade and "prove to leaders (in the U.S. and EU) that the process works." Kirn agreed with Mullaney that the next TEC should produce practical results. Mullaney pointed to fixing the current "sanitary" regulations that block U.S. poultry from the EU market as an important TEC deliverable. Kirn and Grcar agreed that tangible results should and could emerge from TEC but were non-committal on the poultry issue. Kirn raised Slovenia's concern, in light of TEC, about the U.S. requirement for 100 percent cargo scanning at ports, planned to go into effect in 2009. Mullaney explained that the Department of Homeland Security (DHS) has the lead on port security and undertook to pass on Kirn's concerns to DHS contact in Brussels. Kirn and Grcar both suggested that the next TEC meeting could take place in Slovenia in June, before the U.S.-EU summit, which the GOS hopes will take place in Ljubljana in June 2008. Gregor Krajc, Deputy Director at the Government Office for European Affairs, also agreed that a late-June TEC meeting would be better than having the meeting mid-April. (Note. The first TEC met November 9, in

Washington. The U.S. and EU have committed to have TEC meetings every six months, alternating between the U.S. and the EU. End Note.)

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Doha - Slovenia is Pessimistic  
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13. (SBU) Kirn said that the Government of Slovenia is eager to have "an uneventful EU presidency" and wanted to know from Mullaney if there were any new economic issues that the U.S. planned to raise during Slovenia's presidency. Mullaney stated that the trade-related issues that he saw as needing attention in 2008 were the TEC, especially poultry, Doha, and the WTO biotech case requiring EU compliance. Grcar was more pessimistic about Doha, saying that he thought it would fade away with no resolution. Mullaney pointed out that the main difficulty now was the few countries that were rejecting the current chairman's Non-Agricultural Market Access (NAMA) text, that the U.S. and the EU were relatively close together on NAMA, and that the chair's NAMA text has support from many "middle ground" countries.

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Comment  
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14. (C) Embassy greatly appreciates Mullaney's visit, which helped educate GOS officials about bilateral trade issues, the TEC and how they fit into the multilateral transatlantic relationship. The visit also helped the U.S. Mission in Brussels understand where the Slovenian Government stands on various bilateral priorities. There is significant understanding and support for TEC at the Ministry of Foreign Affairs. Unfortunately, the Ministry of Economy failed to

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show at a scheduled meeting and Embassy is concerned that it does not seem to have the same level of commitment. Emboff and Mullaney raised our concern about MOE with Kirn and Krajc in the hope that the GOS will spur MOE to engage more in transatlantic economic issues. (Note. Grcar has told Emboffs before that if the MOE really valued the TEC, he would not be the Slovenian representative but rather a more senior official. End note.) On December 13, A/DCM raised the TEC with Minister of Economy Andrej Vizjak and the importance for closer cooperation between the U.S. and the GOS. In a follow-up conversation, the new Americas desk officer at the MOE also said he looked forward to working more closely with the Embassy.

15. (U) Dan Mullaney has cleared on this cable.  
COLEMAN